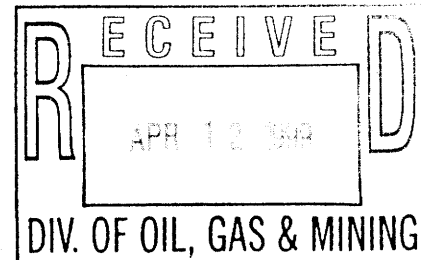


ANDALEX
RESOURCES, INC.

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April 5, 1999

State of Utah
Department of Natural Resources
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84180-1203

Attn: Pamela Grubaugh-Littig, Permit Supervisor
RE: Wellington Coal Plant Site, ACT 007/002 #2
Mining & Reclamation Plan
Commitments for Post Mining Industrial Usage

*Copy Pam,
Bob, Paul, Joe,
Daron*

Dear Ms. Grubaugh-Littig,

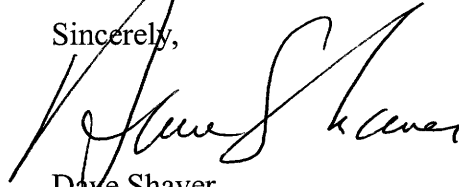
This letter will serve to summarize our recent discussion regarding certain proposed post mining industrial usage parameters proposed for the Wellington Coal Plant Site. On the condition that ANDALEX Resources proceeds with the acquisition of the 200 acre site as planned, we have authorized Nevada Electric Investment Company (NEICO) to include the following commitments in the MRP regarding the coal material located at the south end of the site:

- a) To the extent economically feasible, we will utilize as much of the coal material as possible as pad material for the stockpile areas of the new loadout. We will pay abandoned mine reclamation (AML) fees on the recycled pad coal if DOGM determines this to be a regulatory requirement.
- b) Much of the coal material will be used to construct the impoundment structure for the main sediment pond. We estimate that up to 7000 cubic yds of this material would be utilized for this purpose.
- c) Any remaining coal material would be contained harmlessly within the hydrologic confines of the newly constructed sediment pond. This pond would be a permanent structure and would serve as the primary means of sediment control for the life of the new loadout facility. Coal material remaining within the interior of the pond would be graded to a smooth, even surface.

- d) We also commit to dedicating a 6.73 acre area of topsoil material within the site (Area J on map G9-3511) for the purpose of final reclamation of the refuse pile. This commitment is made under agreement with DOGM that this area would be released from the permit when 13,019 cubic yards of topsoil has been salvaged from this area and relocated to the main topsoil storage pile located south of the refuse pile.

If you have any question or comments regarding these commitments please feel free to call me. As always, we appreciate your cooperation regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Shaver", written over a horizontal line.

Dave Shaver
Manager, Technical Services

cc: Lowell Braxton, DOGM
Patrick Collins, Mount Nebo Scientific
Dennis Schwehr, NEICO